

*Currently, FEMA categorizes co-ops as “business associations,” deeming them only eligible for loans and not federal grants*

Glen Oaks, NY – Today, Rep. Steve Israel (D –NY) joined local officials and the presidents of co-op boards in Queens to call on the Federal Emergency Management Agency (FEMA) to revise its current policy that discriminates against co-ops. Presently, co-ops are only eligible to receive loans and not grants because they are classified as “business associations” under FEMA assistance eligibility rules. Especially in light of the damage from Hurricane Sandy, co-ops are in desperate need of the same vital assistance that other homeowners are eligible for.

Rep. Israel said, “It seems clear that FEMA’s policy is the result of not understanding the role of co-ops in our community. But that bureaucratic error in Washington is having real consequences for co-op owners here in New York. Calling them ‘business associations’ means that co-ops cannot apply for the same type of aid available to other homeowners. It’s time for FEMA to right this wrong so co-ops in Queens can rebuild after Hurricane Sandy.”

New York State Senator Tony Avella said, “Hurricane Sandy had a profound and widespread effect on residents in Queens and throughout the City, including those that live in co-ops. The fact that current FEMA policy only makes co-ops eligible to receive loans, not grants, is a disgrace. As a result of this policy, the costs of recovering from this devastating storm will be borne by many middle class co-op shareholders. The storm did not discriminate between co-ops and residential homes and neither should the federal government. I join Congressman Israel in calling on FEMA to change their policy and allow co-ops to receive the same assistance as other homeowners.”

Council Member Mark Weprin (D-Oakland Gardens) said, “FEMA needs to recognize that co-ops deserve the same assistance that other homeowners receive.”

Bob Friedrich, president of Glen Oaks Village Co-op and co-president of the Presidents Co-op and Condo Council said, “When Glen Oaks Village, the largest garden apartment co-op in New York with 3,000 families, turned to FEMA for help, their response was a big ‘no thank you.’ The arbitrary and erroneous classification of co-ops as commercial instead of residential properties

means that co-ops have been completely abandoned by FEMA. It is shameful that FEMA continues to treat co-op residents so unfairly, especially as they continue to suffer from Hurricane Sandy.”

Warren Schreiber, president of the Bay Terrace Community Alliance and co-president of the Presidents Co-op and Condo Council, said, “Without FEMA assistance, residents of housing co-ops will be forced to bear the cost of repairing damage caused by Hurricane Sandy and any future disasters. The financial burden imposed upon co-op residents will be in the form of excessive maintenance increases or huge assessments. Many middle-class shareholders who are already experiencing financial difficulties will not be able to absorb the additional charges. It's hoped that FEMA will review and correct existing policy.”

Co-ops are housing communities made up of individual apartment owners who help manage and maintain housing, common areas, and residential infrastructure. Housing co-ops exist in every neighborhood in New York City. FEMA classifies co-ops as “business associations,” meaning they are eligible to apply for loans through the Small Business Administration, but not for FEMA grants. Currently, FEMA offers grants for recovery efforts through the Individuals and Households Program (IHP) as well as the Public Assistance (PA) Program.

Today, Rep. Israel sent a letter to Homeland Security Secretary Janet Napolitano and FEMA Director Craig Fugate asking them to immediately change their policy to allow co-ops to apply for much needed grants.